KEYSTONE
POLICY CENTER

Cost Containment Meeting Summaries
Grand Junction & Summit
June 16-17, 2016

Background
The Colorado Commission on Affordable Health Care's (Commission) mission is to ensure that Coloradans have access to affordable health care. The Commission is charged with making recommendations to the General Assembly focused on evidence-based cost control measures, access to care, and quality health care improvement initiatives, as well as the cost effective expenditure of limited state funds to improve the health of Colorado's population.

Stakeholder engagement is critical to the work of the Commission. Buy-in from stakeholders will be essential for the Commission's long-term success and its ability to meet its legislatively mandated goals. To that end, all Commission meetings are open to the public and broadcast via ReadyTalk, and public comments are always welcome on the Commission's website. The Commission has also distributed a questionnaire to key health care stakeholders to gather statewide feedback on multiple topics.

In order to build on the Commission's work since its inception, it is holding a series of nine statewide meetings in 2016 to solicit additional stakeholder feedback on its work and recommendations so far. These meetings not only have provided and continue to provide vital on the Commission's work and recommendations to-date, but also are building support for and community ownership of its eventual recommendations. This summary focuses on the Grand Junction and Summit County meetings held on June 16 and June 17.

Commission Presentation
Both meetings began with a presentation of the Commission's work to date. Commissioners explained the origin of the Commission and its charge, the makeup of the Commission, and the goals for the stakeholder meetings, emphasizing the importance of public feedback and input throughout the life of the Commission. Attendees were given a chance to ask questions about the presentation before opening up to a broader dialogue organized around the following key questions:

- What do you think are the fundamental cost drivers in your region and why?
- What are the barriers to reducing cost?
- What would you change to make things better related to cost?
- Do you have any thoughts on the recommendations and topics that the Commission is addressing?

In both meetings, the Commissioners emphasized that they have learned that there is no single driver or entity at the root of the challenges Coloradans are facing; rather, multiple factors have contributed to the rise of health care costs in Colorado. The Commission encouraged attendees to consider challenges and recommendations across a range of topics.

Summary of Stakeholder Feedback
In Grand Junction, 30 individuals attended the meeting. In Summit County, 44 individuals attended the meeting. Attendees from both meetings had individuals representing the health care field (physicians, hospitals, behavioral health, home care, and exchange and health information exchange representatives), legislators (reps from state and federal levels), county commissioners, businesses, and human services. Summit County additionally had members of the general public attend.

Conversations focused on challenges and recommendations related to the following key themes:

Cost/ Premiums: Resort region has the highest rates in the country. Health insurance premiums exceed mortgages. Citizens are making decisions about what to pay – mortgage, car, food, or health insurance and this is driving higher uninsured rates. Rates in Grand Junction have gone up 100 percent over the last few years. This is not sustainable. Coloradans need more flexibility related to high deductible plans.

There are some things we can do at the state level. we can do things at the federal level as well

- Appropriate reimbursement rates for Medicare and Medicaid — the cost shifting has to stop
- We have to breakdown the silos
- No not for profit status for those who do not sign onto insurance providers – or whose costs are way above the average
- Rewards for good behavior, punishments for bad behavior
- No hospital provider fee is not allocated for certain behavior
- Develop pathways for care — do not have admitting privileges for those who do not abide by these
- Need to think out of the box
- What can we do with the hospital provider fee to help drive good behavior and cost

More transparency pre-procedure so you can compare prices before you have a procedure. Last year enrolled 1,000 people in Summit County in health insurance, but for every one person we enrolled there were five who couldn't afford coverage. Change the structure of tax credits — if costs are higher there must be some way to look at the tax credit structure and increase it based on the dynamic that it creates.

A commissioner from Lake County — ranked 57th out of 64 counties — said the percentage of uninsured is rising and increasingly the workforce is opting to go without or are choosing a high deductible plan. He said Lake County has an average income of around $42,000 a year — compared with these plans' family deductibles of around $12,000. The commissioner added that there is a nexus of low income and high premium counties. He said Lake County does not have a community care clinic nor does it have a public health agency. This has required the county to expend general fund dollars on health programs.

Many attendees expressed frustration at being forced out of the county because of the cost. Attendees said the average resident works 1.3 jobs on average. They said if you think about how many people up here live right on the edge and there is another 20 percent increase coming in health insurance costs.

Payment Rates: Medicaid — primary care physicians received an increased payment along with the Medicaid expansion. Dropping down that rate dose not incentive providers — hurts access to care. This year Medicaid reimbursements — $20 million this year to allow for a 13 percent rather than a 23 percent reduction. In one day — lose 13 percent — what business can do this? If you look at nationwide

where hospitals opening and closing, areas being paid by Medicare and Medicaid is where hospitals are having the most trouble. Partly because government is not getting payments right, also economies of scale. Also more expensive to be a specialist in rural areas — travel, etc., efficiency is an important question.

There was a recommendation to level the playing field by having all payers (public and private) pay the same rates to providers.

Competition: Concern over the insurance mergers. Competition issue is really important. We want positive health outcomes. We have to mesh the ideas of welfare with competition and free market. Competition is tricky. Cost in rural committees is more expensive. Economies of scale is an issue. Those suppling insurance — if you are going to provide insurance in the state — need to provide it for the whole state. Competition really matters.

Hospitals: One attendee presented research on profitability of hospitals on the Western Slope — analysis of Vail Valley medical center 2001-2013, another compares numbers off tax returns for a number of hospitals. VVM — 2001-2014 — had an average increase in revenues 22.8 percent; 2013, consistently making $41 million per year, 21 percent net profit. Net assets $257 million mostly in cash (not facilities) — not reinvesting in community. Financed hospital renovation through $100 million bond, otherwise playing stock market, launched a fundraising goal as if current assets are not enough. How badly is the nonprofit hospital system being abused? Net income varies — $800,000 to $3.5 million. Seems correlation that along I-70 corridor. Requested public scrutiny given to how these public places are operating.

Regulation/Waste: Related to referrals and Medicaid/Medicare. To get an image done, cannot send directly, has to be seen by an emergency medicine doc. This is a huge waste.

Technology: Need our technology to work together. I look into five platforms/sites to look into what I need for information. Technology is creating more of a challenge/problem in some cases. Electronic medical records — for a small or older provider the cost of implementing this is challenging.

Workforce: It is challenging to bring good physicians to rural Colorado; primary care does not pay enough to attract enough doctors; patients struggle to find specialists in the cities in which they live; As one attendee put it, all the coverage in the world doesn't matter then you can't find a provider to see you — this is the case in many rural communities. Need more incentives for rural trainings for physicians — know that residents that train in rural parts of the state — many of those residents stay in those parts of the state. Loan repayment or forgiveness is an important tool. Gunnison valley hospital has started a program where we have a loan repayment if they commit ahead of time (10-year period) to coming to serve our community. Two quality providers left Gunnison County last year because couldn't make a living. No pediatrician in county at all – no internal medicine doctor, group of family practice doctors but one left last year.

Other: Has to be better/more patient engagement. There is not nearly enough personal responsibility. This is a national problem that we should be working on nationally as well. Transparency — prices are different in other places. Medicare pits family practice and specialists against each other. Federal regulations costs physician offices more. From Leadville — almost lost our hospital last year. Unless talking to rural providers, not going to get a good answer here — wish there were more rural providers on the Commission. Disparities between physical and mental health in Summit County — have

incredible providers up here that provide mental health services and take insurance but outside of those two entities no one takes insurance.